



## Global Climate Policy Standards

Climate change is a pressing global challenge and urgent action is required. BHP is [taking a number of actions](#) to ensure we are playing our part in addressing this challenge. An important component of our climate change strategy is collaborating with others to enhance the global policy response including advocacy for policy that will enable a 'well below 2°C' world.

BHP engages in policy debates both directly and indirectly through our membership of industry associations. We believe industry associations perform a number of functions that can lead to better outcomes on policy, practice and standards. We also believe it is important that there is clarity as to the advocacy standards held BHP as a member of associations globally.

The purpose of this document is to outline how we believe our policy positions on climate change should be reflected in advocacy.

### ***Global alignment***

Advocacy on climate policy should be underpinned by support for:

- Global agreements, like the Paris Agreement, that enable meaningful international cooperation on addressing climate change; and
- The long-term goal of the Paris Agreement to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C.

### ***National action***

Advocacy on climate policy should be constructive<sup>1</sup> and targeted at the following outcomes:

- Emissions reduction targets set by national governments in line with the goals of the Paris Agreement and the pursuit of increasing ambition in such targets over time (with a focus on achieving net zero global emissions by 2050);
- Policies that enable the achievement of national targets at least cost – in BHP's view, least cost abatement is most likely achieved through carbon pricing, market mechanisms and technology neutral policy frameworks;
- Policies that aim to support the development and deployment of pre-commercial low emissions technologies that are critical to achieving the goals of the Paris Agreement – such policies could include targeted funding for research and development and grants for demonstration or 'flagship' projects; and
- Policies that enable the broader transition to a net zero economy – where appropriate, such policies should be based on clear policy objectives and informed by rigorous cost-benefit analysis.

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<sup>1</sup> Determining whether advocacy is 'constructive' is context-dependent. Generally speaking, we consider constructive advocacy to be typified by a willingness to engage in relevant policy debates, and a focus on solutions and alignment with the Paris Agreement goals.

### ***Guiding principles***

Advocacy on climate policy should be:

- **Balanced** – avoid advocating in a manner that focuses on the cost of reducing emissions without giving due consideration to the costs of inaction on climate change.
- **Fact-based** – advocacy should be based on the best available evidence and avoid use of ambiguous terminology, particularly in relation to climate issues.
- **Focused** – prioritise advocacy towards those areas that present the greatest benefits to members and communities more broadly and avoid advocacy that may be seen to unduly exacerbate policy tensions. As an example, there should not be advocacy on issues such as the use of 'Kyoto carryover credits'.
- **Technology and commodity neutral** – avoid advocating for policies that explicitly favour or preclude a specific energy source (excluding measures aimed at supporting the development and deployment of pre-commercial low emissions technologies), or, specifically, against the deployment of renewable energy.